

**MONTANA BOARD OF HOUSING**

301 S Park Ave., Room 226

Helena MT 59601

February 12, 2007

**ROLL CALL OF BOARD**

**MEMBERS:** J.P. Crowley, Chairman (Present)  
Betsy Scanlin, Vice Chairman (Present)  
Susan Moyer, Secretary (Present)  
Jeff Rupp (Present)  
Audrey Black Eagle (Excused)  
Jeanette McKee (Present)  
Bob Gauthier (Excused)

**STAFF:** Bruce Brensdal, Executive Director  
Penny Cope, Marketing & Web Specialist  
Mat Rude, Multifamily Program Manager  
Gerald Watne, Multifamily Program Officer  
Mary Bair, Multifamily Program Specialist  
Chuck Nemec, Accounting & Finance Manager  
Vicki Bauer, Assistant Accounting & Finance Manager  
Nancy Leifer, Homeownership Program Manager  
Charles Brown, Homeownership Program Officer  
Jeannene Maas, Training & Development Specialist  
Diana Hall, Administrative Assistant

**COUNSEL:** Pat Melby, Luxan and Murfitt

**OTHERS:** Gordon Hoven, Piper Jaffray  
Jim Stretz, George K. Baum, & Co.  
Dan Rosen, Merrill Lynch  
Mina Choo, UBS  
Tim German, Sparrow Group  
Carolyn Dawson, Countrywide Home Loans  
Sheila Rice, Montana Homeownership Network  
Don Sterhan, Mountain Plains Equity Group

**CALL MEETING TO ORDER**

Secretary, J. P. Crowley, called the meeting to order at 8:30 a.m.

## **INTRODUCTIONS AND PUBLIC COMMENTS**

J. P. Crowley asked the Board, staff, and guests to introduce themselves and asked for any public comments.

## **APPROVAL OF MINUTES**

Betsy moved to approve the January 16th Board meeting minutes, January 16<sup>th</sup> Conference Call Minutes, and the January 18<sup>th</sup> Conference Call minutes. Jeff Rupp seconded the motion. The Secretary asked for public comments. The motion passed unanimously.

## **BOARD OFFICER ELECTIONS**

Jeff Rupp said we were blessed to serve under Bob Thomas's leadership with a style of kindness and honesty which is rare these days. Jeff moved to nominate J. P. Crowley as Chairman, Betsy Scanlin as Vice-Chairman, and Susan Moyer as Secretary. Jeanette McKee seconded the motion. The Secretary asked for public comments. The motion passed unanimously. J. P. thanked the previous officers for their service. Jeff moved to have Board elections every two years after appointments are made by the Governor. Jeanette McKee seconded the motion. The Secretary asked for public comments. The motion passed unanimously.

## **MULTIFAMILY PROGRAM**

Mat Rude handed out a list of the 2007 Low-Income Housing Tax Credits applicants and the amount each requested. The Board will allocate the Tax Credits at the April 4<sup>th</sup> meeting. Betsy noted that David Bland of Travois in Montana is being recognized nationally for an award.

Bruce introduced Don Sterhan, of the Mountain Plains Equity Group (MPEG), who gave an overview and update on their organization. He asked for a recommendation for a member from Montana Board of Housing (MBOH) to serve on their Board for 3 years to replace Dean Mart. Staff recommended that they consider Judy Glendenning and the Board suggested that they also have tribal representation on the MPEG Board.

Mat said the Stage Tower conduit deal for 4% Tax Credits using MBOH bond cap for private placement will be presented at the March meeting.

MBOH received 4 Reverse Annuity Mortgage (RAM) applications since the last meeting which required no exceptions.

## **FINANCE PROGRAM**

Chuck Nemec said the conduit debt is bonds issued by the Board for other organizations. Even though the Board is not responsible for the debt, it must be disclosed in the Board's financial statements. We pay the insurance costs for conduit debt and our name goes on the deal. He introduced MBOH underwriters: Dan Rosen from Merrill Lynch, Mina Choo from UBS, Jim Stretz from George K. Baum, and Gordon Hoven from Piper Jaffray. Dan explained an option to use draw down bonds to help save Volume Cap. Mina Choo stated the draw down program was started in 2001 with interest payments coming in 4 times a year and that was hard to manage. All the

extraneous stand alone bond issues have been refunded, so now it only comes 2 times a year. Therefore, the bond issues have been timed to capture the bonding authority 90 days before June 1 and December 1.

Mina Choo gave a recap of the 2007 Series A bonds. The bond closing will be March 7<sup>th</sup>. There was a refunding of a 1997 issue which lowered the cost and opened up another 7 years of Pre-Ulman funds used for recycled funds. The 2007 A has \$50,000,000 at a low rate which generated funds at 0% that could be used to blend down future programs.

## **HOMEOWNERSHIP PROGRAM**

Nancy Leifer passed out a map showing the counties and county seats in Montana. She also handed out graphs from affordable housing statistics showing the average cost of homes in selected cities and also selected counties. The Homestead provision is currently at \$100,000 and the data shows that homes are well above that price all over the state. The statistics reveal that rents are increasing 37% or more according to Fair Market Rents throughout the state. Susan asked why we don't use same incomes and family sizes for our programs as HUD uses so there is uniformity.

MBOH has online training for Homeownership 101 which has been geared to lenders. Betsy requested a 1 page summary of what is covered.

The Mortgage Credit Certificate (MCC) program has 12 reservations with \$1.4 million committed.

Charles Brown gave an update on the Rocky Boy Project. They are getting homes from Malmstrom Air Force Base and will use the HUD 184 program. MBOH has sent a memo of understanding to Wells Fargo. This is a rent to own opportunity for tribal members on 40-60 units. Sheila Rice said potentially, there is 500 duplex units available at Malstrom that will need to be moved. They are talking with Walking Shield to discuss options. Jeff moved to direct staff to draft correspondence and contact congressional delegates regarding giving the Housing Finance agencies access to the Malstom homes. Betsy Scanlin seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

Nancy said HUD purchase limits have increased in Gallatin County above the statewide limit used by MBOH.

The REO report showed that 1 property has sold since the last meeting.

Wells Fargo sent data showing insurance compliance. This was in response to the Servicer Audit conducted last fall. Nancy said the Mortgage Bankers Newsletter said insurance rates may be changing due to the frequency of national disasters around the country.

Betsy Scanlin, from the City Council of Red Lodge, gave an update on the mobile home court. They have the Option to Purchase the property which will include 30-40 single wide units. The next step is an application with the HOME program for grant funds. This is a pilot program for the state and 23 of the 28 homeowners have signed to be part of the non-profit housing corporation. HRDCs 7 & 9 have done a study for the decommissioning of mobile homes and sites. Betsy presented Sheila Rice of the Montana Homeownership Network (MHN) a framed photo of some of the residents of

the Mountain Springs Villa in Red Lodge for MHN's support and leadership in helping the mobile home project move forward.

Nancy requested changing the contract for the lender pool bonds with Neighborhood Housing Services (NHS) to Montana Homeownership Network (MHN) and allowing MHN to use the 1% line of credit that MBOH provides for a pool of loans which are later sold to a participating lender. Susan Moyer moved to change the contract from NHS to MHN. Betsy Scanlin seconded the motion. Jeanette McKee moved to amend the motion to include the 1% line of credit. Susan Moyer seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

Nancy said the mortgage pool for downpayment assistance for households under 80% median income allows them a lower interest rate through the setaside program. There are some communities that had been approved to do a project with MBOH in the past with HOME funds and are not covered in the current pool. The HOME funds are being recycled in these cities and towns. Jeff Rupp moved for MBOH to approve access to the pool of first mortgage funds for borrowers receiving downpayment assistance from recycled HOME program funds for Montana cities and towns. Susan Moyer seconded the motion. The Chairman asked for public comments. The motion passed unanimously.

### **EXECUTIVE DIRECTOR**

Bruce Brensdal gave an update on the status of Legislative bills.

The Legislative Conference will be in Washington DC from March 4-7. There will be the bond pre-closing on March 6<sup>th</sup> in Washington DC also. Bruce said the NCSHB conference will be in Coeur d'Alene on August 12-14.

Bruce asked the Board about trying to have Board meetings via video conferencing to avoid some of the travel. They are willing to try it.

The next meeting is scheduled for March 12 in Helena. Future meetings are tentatively scheduled for April 4 in Helena and for May 7 and June 6 out of town.

The meeting adjourned at 11:25 a.m.

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J. P. Crowley, Chairman

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Date